

U.S. BORAX

March 19, 1991

Bureau of Land Management
Moab District Office
P.O. Box 970
Moab, UT 84532
ATTN: Mr. Gene Nodine,
District Manager; and

Mr. William C. Stringer,
Assistant District Manager, Minerals

Re: Notice of Intent
Dry Fork Placer Claims
Grand County, Utah

Gentlemen:

United States Borax & Chemical Corporation ("U.S. Borax") has recently located a number of placer mining claims on certain lands found to contain locatable minerals during previous exploration drilling. These locatable minerals were discovered by virtue of assays of complex liquid brine solutions commonly found in subsurface formations in the Paradox Basin. The assays showing the various chemical constituents of these brines are a matter of public record.

Pursuant to 43 CFR part 3809, U.S. Borax hereby gives Notice of Intent to explore for the locatable minerals contained in the aforementioned complex brine solutions.

These complex brine solutions also contain Sodium and Potassium commingled with the known locatable minerals. Although these leasable minerals are present, they are not of interest to U.S. Borax in this exploration program. Our research to date strongly suggests that these brines do not contain Sodium or Potassium in commercially valuable forms. The Potassium (Potash) produced by Texas Gulf from its nearby operation is not from these naturally occurring brine solutions, but from solid formations.

Federal court case decisions clearly show that a mineral locator has the right to explore for and produce locatable minerals that are commingled with leasable minerals in brines; provided that the leasable minerals are not commercially valuable and are not

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essential to the existence of the locatable mineral(s). Three court cases which have direct application are cited below.

First is the case of Foote Mineral Co. v. the United States. That case involved a controversy over Foote's production of a locatable mineral (Lithium) from complex brines containing Sodium and Potassium. The government's position was that Lithium was leasable (and a royalty payable) due to its commingled existence in the brine with leasable Sodium and Potassium. The case was ultimately decided in favor of Foote on appeal to the U.S. Court of Claims (now the Claims Court) (654 Fed. 2d 81). That court overturned an earlier IBLA decision and asserted Foote's right to produce Lithium from the commingled brine under the mining laws. The court's basis for its decision in favor of Foote was that the Sodium and Potassium were not commercial in the brine and that they were not essential to the presence of Lithium. It should be noted that Foote subsequently obtained a patent for the placer mining claims involved in the case.

The second reference is the case of the United States v. Levon Bardsley et al (IBLA 79-71). In that case, the IBLA affirmed an administrative court decision in favor of the Bardsley's allowing them to produce Calcium Chloride from a complex Sodium/Potassium brine under the mining laws. As above, the IBLA's reasoning was based on the non-commercial value of the Sodium and Potassium and that those elements, though commingled with Calcium, were not essential to the existence of the Calcium Chloride constituents in the brine.

The third reference is the case of United States v. Union Carbide Corporation (31 IBLA 72 (1977)). In that case, the IBLA relied on a two fold test to determine if a locatable mineral is leasable when commingled with a leasable mineral. First, the leasable mineral must be present in sufficient quantity to be commercially valuable. Second, the leasable mineral must be essential to the molecular structure of the locatable mineral. "Absent both of these contingencies, the natural brine is not subject to the sodium provisions of the Mineral Leasing Act."

These cases clearly establish the rights necessary for U.S. Borax to proceed with exploration for locatable minerals under the mining laws and it is on that basis U.S. Borax will proceed with its program described in this Notice of Intent.

CLAIMANT AND OPERATOR

United States Borax & Chemical Corporation
3075 Wilshire Blvd.
Los Angeles, CA 90010

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ATTN: Mr. J. M. Colvin
Land Manager

(213) 251-5400 (Telephone)
(213) 251-5495 (Facsimile)

and

United States Borax & Chemical Corporation
Western Regional Exploration Office
255 Glendale Ave. Suite 19
Sparks, NV 89431
ATTN: Mr. Mark A. Reece
Senior Land Agent

(702) 358-9500 (Telephone)
(702) 358-9529 (Facsimile)

The actual operations conducted under this Notice of Intent will be the responsibility of the Sparks, Nevada office; however any formal communications for U.S. Borax should be directed to both offices listed above.

CLAIM DESCRIPTION

On or about February 28, 1991, U.S. Borax completed the location of the Dry Fork #1 - 32 placer claims, covering Section 9 of T. 26 S., R. 20 E., in its entirety. Said claims are presently being recorded as required by State and Federal laws. Recording information will be provided as soon as possible. The claim group is shown on the map provided as Exhibit "A-1". The entire exploration operation under this Notice of Intent will be conducted on and confined to a small portion of Dry Fork claim #23.

PROJECT SITE DESCRIPTION

This Notice of Intent covers the site of the Roberts-White Cloud #2 brine exploration hole which is generally situated in the SW~~NE~~ of Section 9, Township 26 South, Range 20 East, SLM, Grand County, Utah. These lands are administered by the BLM. These lands are not withdrawn from mineral location. The site is shown on the map attached hereto as Exhibit "A-2".

As the BLM is aware, the Roberts-White Cloud #2 well blew out and eventually sealed itself off after spewing thousands of barrels of high pressure brine on the surface during its original drilling in the 1960's. For reasons unknown to U.S. Borax, the original operator thereafter abandoned the well and drill site without performing proper plugging operations.

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GENERAL DESCRIPTION OF OPERATIONS AREA

The "abandoned" Roberts-White Cloud #2 brine test well and drill site are on high ground above Bull Canyon. The ground surface around the site slopes gently toward the East. The Colorado River is approximately three miles East by way of Bull Canyon. The site is over one mile north of the Dead Horse Point State Park boundary. The site is out of the Park and is not visible from the Park or its main access road.

The site has been partially reclaimed and is sparsely covered at present with sage and grass. The surrounding lands are vegetated with many varieties of juniper, pinions, sage and grasses, none of which are known to U.S. Borax as endangered.

A number of exploratory oil wells have been drilled and abandoned in the general vicinity of this project. There is a producing oil well (Southern Natural #1) approximately 400 ft. to the Southwest.

Access to the site will be over existing roads.

PRIMARY CONTRACTOR

U.S. Borax will be the project operator, however a significant portion of the re-entry, testing and plugging operations will be supervised by a professional engineering consultant under contract to U.S. Borax:

Gordon Engineering, Inc.
P.O. Box 3525
Grand Junction, CO 81502
ATTN: Mr. John Gordon

(303) 245-1958 (Telephone)
(303) 242-5106 (Facsimile)

Gordon Engineering's activities will be subject to the overall control and direction of U.S. Borax.

DESCRIPTION OF OPERATIONS

U.S. Borax, Gordon Engineering and Mr. E. Jay Mayhew (our special brine consultant) have formulated a detailed program for re-entry of the well and testing the target brine. The detailed program is attached as Exhibit "B". The equipment to be utilized is also described on Exhibit "B".

Our program is briefly summarized in the following paragraphs:

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The site will be prepared for our operations as soon as possible. On or before April 15, 1991, Gordon Engineering, Inc. will move in and set up the required equipment on the prepared drill site, re-enter the old well, clean and re-work it as necessary to test the brine bearing formations. The brine is expected to be under very high pressure. Careful steps will be taken to protect all formations and to prevent surface blowout.

Following our successful re-working of the well, brine will be allowed to flow under natural pressure at a controlled rate into portable tanks until sufficient samples have been collected. We presently anticipate the total test flow to be less than 80,000 gallons of brine.

After sufficient test samples have been collected, the brine remaining in the surface tanks will be removed by truck and disposed of at an approved site. The well will be shut-in until the results of our chemical analyses are determined. These analyses will be pursued as expeditiously as possible. Upon completion of our analyses, we will decide either to complete the well as needed for subsequent use or to plug and abandon it.

We expect the field testing operations to be completed within thirty days after commencement of the re-entry.

DRILL HOLE PLUGGING AND ABANDONMENT

If U.S. Borax determines that either a) down hole conditions preclude re-entry, re-working and/or use of the hole for testing purposes; or b) future production of locatable minerals (or other related use of the hole) is not feasible, the well will be plugged and abandoned. The method of plugging and abandonment would be determined and performed based on conditions encountered down hole and in the best possible manner to comply with applicable laws. If the hole is plugged, specific information will be provided to the Authorized Officer and to the State of Utah.

COMPLETION FOR SUBSEQUENT USE

If test results are favorable and subsequent use of the Roberts-White Cloud #2 well appears feasible, that well will be completed as necessary. In that event, the drill site will be temporarily reclaimed and the well will be appropriately secured against tampering or vandalism. Specific information as to the completion of the well for subsequent use will be provided to the Authorized Officer and to the State of Utah.

PREVENTION AND CONTROL MEASURES

U.S. Borax has gone through considerable effort to insure that this exploration operation will be conducted properly in compliance with applicable law and good practices. U.S. Borax will take appropriate steps to protect and control the following:

FIRE HAZARDS: Operating equipment and vehicles will be equipped with fire extinguishers, spark arresters, water, shovels and other such equipment as required by law. Fire danger is expected to be minimal during the springtime period for which operations are proposed.

SOIL EROSION: By using the existing access roads and the level drill site, there should be little or no increase in the existing erosion potential in our operations area. Operations will be curtailed or suspended as necessary and appropriate during exceptionally wet or muddy periods.

WATER POLLUTION: It is most unlikely that this operation could result in surface water pollution. Only natural based drilling muds will be used and they will be stored in portable pits. We will take the appropriate precautions to insure that all brine flows will be carefully controlled and stored in tanks and that no brine will be discharged onto the surface as a result of this operation. All non-fuel fluids to be used in the operation will be stored in reasonably small containers. In the unlikely event that any chemicals, oils, lubricants or fuels are accidentally spilled, they will be cleaned up and/or neutralized immediately.

By virtue of locating the operation on an existing level drill site, some distance from established drainages, any water spilled on the ground surface should evaporate or percolate prior to reaching those drainages. The only other significant source of surface water would be precipitation. In the event of a major storm where natural flooding conditions occur, our operations site would not significantly increase the natural turbidity of storm runoff.

The present condition of groundwaters and aquifers in the immediate vicinity of the Roberts-White Cloud #2 well is not known due to uncertainties associated with the original drilling operations and the blow out that occurred. U.S. Borax has planned this exploration program in a manner that will cause no detrimental effects on aquifers. By virtue of our proper re-entry, work over and completion or plugging procedures, the present condition of ground waters and aquifers at the site will be protected and possibly improved.

AIR POLLUTION: All vehicles and equipment will be emissions equipped as required by law. No volatile hazardous materials or gasses will be used, stored, created or vented to the atmosphere except as allowed by law. Steps would be taken as necessary to minimize dust created by vehicle traffic.

FISH AND WILDLIFE: The closest fish are located in the Colorado River, approximately three miles away. They are in no danger from this operation.

Wildlife species will naturally avoid our operations. The equipment itself poses no threat to wildlife. No poisonous or hazardous materials that would be attractive to wildlife will be stored at the drill site. Personnel will be instructed to leave wildlife alone.

PUBLIC HEALTH AND SAFETY: The operations site is not visible to the general public from the nearest paved highway or the State Park. Access to the site from the paved highway will not be marked in any manner that would arouse public interest. Anyone who does discover the drill site will be allowed to observe only from a safe distance. Only employees and authorized personnel (i.e. federal and state inspectors) will be allowed to remain on the drill site for more than a very brief period. Equipment and the drill site will be properly secured during periods of non-operation.

CLEAN-UP AND RECLAMATION

During operations, the drill site and access roads will be kept as clean and uncluttered as reasonably possible. Trash and wastes will be collected and disposed of properly at an approved site. Any spilled fluids would be immediately cleaned up, neutralized and disposed of in an appropriate manner.

Interim cleanup of the site will begin promptly following completion of the brine test flow program. That program would consist of removal of unnecessary equipment and any wastes or trash around the site.

In the event that our test results are favorable and future production is a possibility, the BLM and the State of Utah would be contacted and future operational needs will be discussed and the proper permits applied for.

In the event that production is not feasible at this site, total reclamation of the site will be commenced promptly unless delayed by adverse weather or directed otherwise by an authorized officer. All trash and equipment will be removed. The drill site will be

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touch-up leveled and compacted by a small tractor or loader with a blade. The drill site will then be reseeded with an approved seed mix in the amounts and at those times recommended by an authorized officer. Unless directed otherwise, the seed mix will be hand broadcasted and raked in.

ADDITIONAL STATEMENTS IN SUPPORT OF THIS NOTICE OF INTENT

U.S. Borax is of the opinion that the exploration operation described in this Notice of Intent is contemplated by and permissible under the mining laws. The project involves locatable minerals on BLM administered lands which are not withdrawn from location. The Roberts-White Cloud #2 well did discover brines which were sampled and found to contain locatable minerals in considerable quantities. The mining law recognizes the right of a claimant to rely upon a prior discovery by others. Relying on that previous discovery, U.S. Borax has located mining claims on these lands in compliance with applicable laws. There is clear legal precedent providing for exploration and production of locatable minerals under the mining laws when they are commingled with non-commercial and non-essential Sodium and Potassium. We are convinced that the Sodium and Potassium in the target brines are non-commercial and non-essential, and we are prepared to risk exploration monies accordingly.

U.S. Borax has no intention whatsoever to use the mining laws inappropriately to produce the leasable minerals that are contained in these complex brines. To do so would be contrary to the law and unethical. U.S. Borax will voluntarily provide the Authorized Officer with test results sufficient to show the content of the Sodium and/or Potassium in the brines. In the unlikely event that U.S. Borax's exploration and testing operations under this Notice of Intent result in an unexpected discovery of Sodium and/or Potassium in clearly commercial quantities, or if they are found to be essential to the existence of the locatable minerals, U.S. Borax agrees that it will not be entitled to conduct additional exploration for, or production of the target brine solution under the mining laws. U.S. Borax agrees, in that event, that the leasing laws should then govern any future operations.

43 CFR 3809.0-6 states "... it is the policy of the Department of the Interior to encourage the development of Federal mineral resources and reclamation of disturbed lands. Under the mining laws a person has the statutory right, consistent with Departmental regulations, to go upon the open (unappropriated and unreserved) Federal lands for the purpose of mineral prospecting, exploration, development, extraction and other uses reasonably incident thereto." U.S. Borax's activities under this Notice of Intent are plainly contemplated by and consistent with the stated policy.

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During our meeting with BLM staff members in Moab on March 11, 1991, it was discussed that the BLM prefers a special right-of-way as an appropriate means for U.S. Borax to obtain legal access to the drill site and Roberts well. U.S. Borax is submitting a right-of-way application with this Notice of Intent. We wish to point out that 43 CFR 3809.3-3 states "An operator is entitled to access to his operations consistent with provisions of the mining laws." U.S. Borax is of the opinion that the special right-of-way is not necessary or appropriate for this project and that access is clearly envisioned in the mining laws. If you accept this opinion, please return the right-of-way application and filing fee to our Sparks, Nevada office.

43 CFR 3809.0-2 provides for mineral entry and exploration of these lands; provided that it is done in a manner that prevents undue degradation of lands. U.S. Borax intends to explore for locatable minerals in a manner that will prevent undue degradation of the subject lands. By using the existing roads and drill site, this project will cause an absolute minimum disturbance.

No one can say for certain that the Roberts well is presently in a safe and stable condition as is, or for how long it might remain that way. Under this Notice of Intent, U.S. Borax will properly plug or complete the well. This will certainly be an improvement to an environmentally degraded site. We hope that the BLM will not act to prevent the exploration operations proposed in this Notice of Intent.

43 CFR 3809.1-3 provides that notification of a proposed operation shall be made at least 15 days in advance of operations. U.S. Borax will not commence operations described herein prior to April 5, 1991. The cited section also provides that "Approval of a notice, by the authorized officer, is not required."

U.S. Borax is a major corporation with the experience and resources to perform all of its goals and responsibilities under this Notice of Intent. U.S. Borax will perform interim reclamation as directed and any and all final reclamation of its operations areas in full compliance with 43 CFR 3809.1-3(d).

In the event you need additional information, please contact me at the Sparks, Nevada office address provided herein.

Sincerely,



Mark A. Reece
Senior Land Agent

Exhibit "B"
U.S. Borax
Proposed Sampling Procedure
Roberts White Cloud #2

It is proposed to re-enter the Roberts White Cloud Well No. 2 for the purpose of obtaining discreet bottom hole samples of the flowing brine found at the bottom of the well. Plat No. 1 illustrates the current mechanical downhole status of the well as can be determined by the current records available. Presently the well is open to the atmosphere and appears to be plugged with salt crystals. The location has been reclaimed and is overgrown with grasses, Four Wing Salt Brush, Rabbit Brush, and other types of weeds. The approximate size and layout of the location is illustrated by Plat No. 2 and Plat No. 3 depicts the current wellhead arrangement.

The Roberts Well will be re-entered using a completion rig and 1" Hydril drill pipe with a hydraulic actuated double gate blow-out preventor containing blind rams and 1" pipe rams (see Plat No. 6). Fresh water will be circulated to clean out the salt (see Plat No. 4). Other safety equipment consists of a float at the bottom of the 1" Hydril drill pipe and a stripping head on top of the blow-out prevention equipment. Layout of the equipment is also illustrated by Plat No. 2, and it is our plans to use the location with minimal surface disturbance. The location after reclaiming has several rolling humps in it, which will be graded flat. topsoil is to be stockpiled as shown. Surface storage will be used to collect all the effluent stream from the well including the liquid used for cleaning out the well. A boiler will be used to inject heat in order to minimize the formation of salt crystals as the well is produced for sampling.

This material will then be hauled to one of the disposal pits located near either Thompson or La Sal, Utah. Upon completion of the testing, the well will be retained for use or plugged and abandoned according to the schematic illustrated in Plat No. 5 and the equipment and material removed. Once this is done, then any areas which have disturbance of the flora will be rehabilitated and reseeded under the auspice of the BLM office and according to their specifications. The following procedure lists the details of the proposed work.

SAMPLING PROCEDURE:

1. Move in completion rig and rig up after setting deadmen.
2. Pick up 2-3/8" tubing using slip-type elevators and pull spider and slips on wellhead. If spider and slips are stuck, use cutting torch and remove.
3. Remove thread protector from upper end of 2-3/8" tubing. Get 2' tubing spacer and weld on a flange ring. Bolt up a 6"-3000 PSI BOP making sure blind rams and pipe rams are installed and compatible with 1" Hydril pipe. Pressure test casing and surface equipment to 2000 PSIG. A 2" choke will be used to control surface flow. Plat No. 6 illustrates the blow-out prevention equipment.

4. Run into the tubing with drag bit and 1" Hydril drill pipe to clean out tubing to TD. If well control problems occur, a 14-14.5 PPG weighted brine drilling mud will be used for well control. Once the TD of 6049' has been reached, the drill string will be pulled and a wireline truck rigged up. A lubricator will be used for pressure control, and the 2-3/8" tubing will be cut off at a depth of 6047' - 6049' with a jet charge to part the bit from the end of the tubing (see Plat No. 4).
5. Once the tubing is cut, the 1" Hydril will be rerun to 6049' and a cavern will be dissolved to allow the cut off tubing and bit to fall free. Hot water will then be pumped down the 1" string and circulated up the 2-3/8" tubing. The flowrate of hot water will be monitored and brine samples collected periodically as the well is allowed to flow.
6. When a total volume of 500 bbl brine has been produced, the 1" string will be removed and a discreet downhole sampler will be used to collect a bottom hole sample. A lubricator will be used for pressure control. After taking a bottom hole sample, the 1" pipe will again be run into the tubing and hot water circulated through the tubing for another 500 bbl flow period. Again, the hot water flowrate will be monitored as brine samples are taken. Downhole sampling and flow tests with hot water will continue until baseline data has been established.
7. Once the sampling is complete, the well will either be completed for subsequent testing and/or production uses or the well will be plugged and abandoned as described in Sections 8 through 11 below.
8. Plugging will commence by pumping 50 sacks of salt-saturated regular Class G cement down the 2-3/8" tubing followed by a wiper plug and 21.3 bbl of the brine. This will place the cement inside the tubing at about 5500', with theoretical fill-up on the outside of about 800 feet.
9. After allowing the cement to set up for four hours, the 2-3/8" tubing will be perforated at 3832' and 25 sacks of salt-saturated regular Class G cement will be pumped down hole, followed by a wiper plug and 13.6 bbl of brine. This should place the cement at about 3500', both inside and outside the tubing. Wait on cement for four hours.
10. Finally, the last plug will be pumped in after perforating the tubing at 325 feet. The plug will be \pm 25 sacks of salt-saturated regular Class G cement. This should fill both tubing and casing to the surface.
11. Cut off wellhead and install regulation marker, move out equipment and materials and reclaim location according to BLM specifications. BLM office will be notified prior to conducting rehabilitation operations.

PLAT NO. 1 ROBERTS WHITE CLOUD #2 CURRENT WELL CONFIGURATION

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48# H-40 CSG @ 24'
CEMENTED W/25 SACKS CEMENT

9 5/8" 32# J-55 CSG @ 325'
CEMENTED W/125 FT.³
CEMENT W/2% CaCl₂

DRILLED AS A BRINE WELL IN JUNE, 1964

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT
ON BOTTOM

7"-23# J-55 R-2 CSG @ 3832'
CEMENTED W/300SX 50-50
POZMIX W/2% GEL

TEST DATA:

TESTED 11,000 BPD BRINE TUBING AND
ANNULUS FLOWING @ 85 PSIG

TESTED 8,400 BPD IN 8 HRS. - SALTING UP.

TESTED 6,700 BPD UP TUBING

BOTTOM HOLE PRESSURE: 4993 PSIG

BOTTOM HOLE TEMPERATURE: 145° PSIG

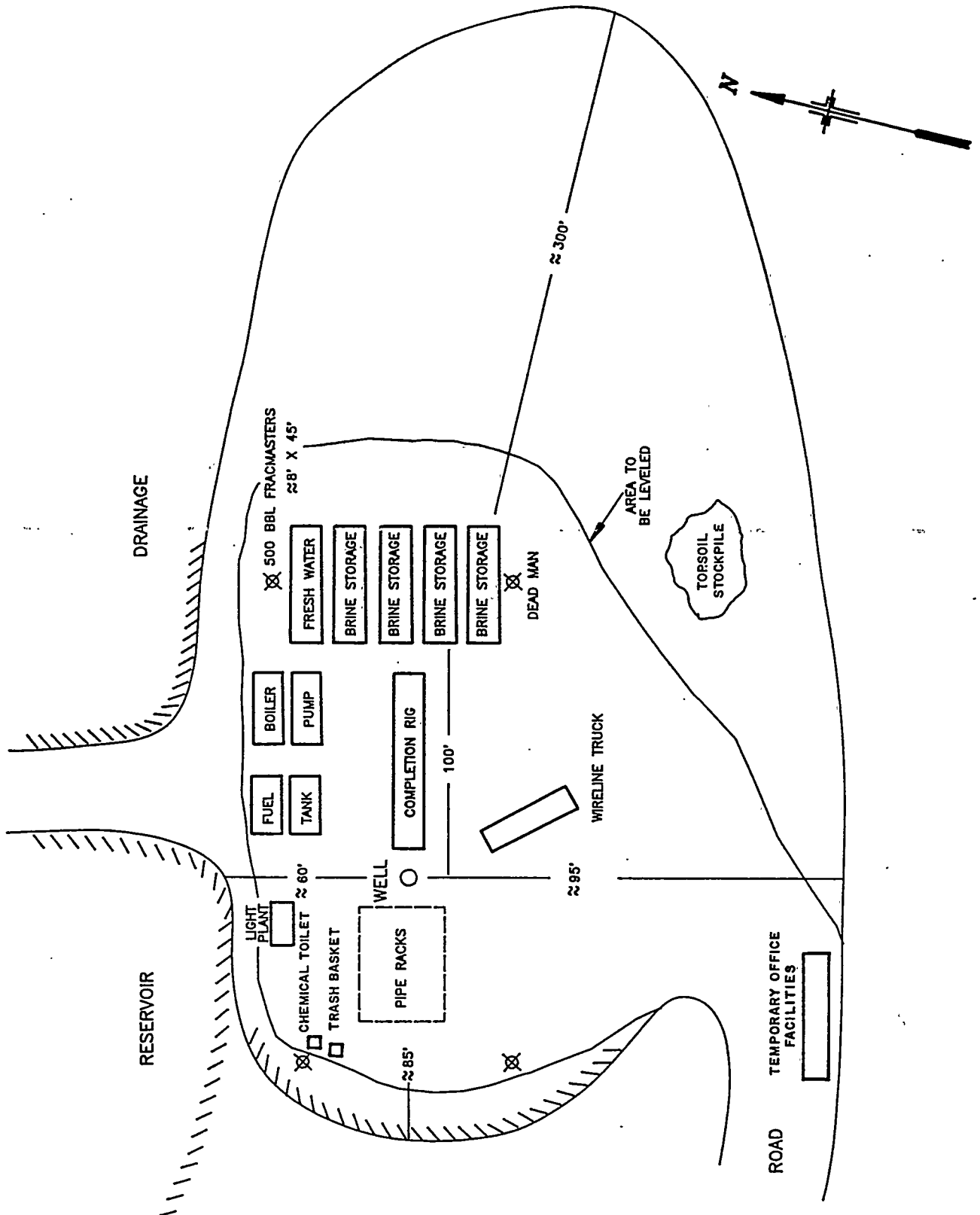
SHUT IN TUBING PRESSURE: 1541 PSIG

PRESENTLY WELL IS SALTED UP AND
ANNULUS IS OPEN TO ATMOSPHERE. TUBING
IS STICKING UP THROUGH TUBING SPOOL
WITH THREAD PROTECTOR WELDED ON TOP.

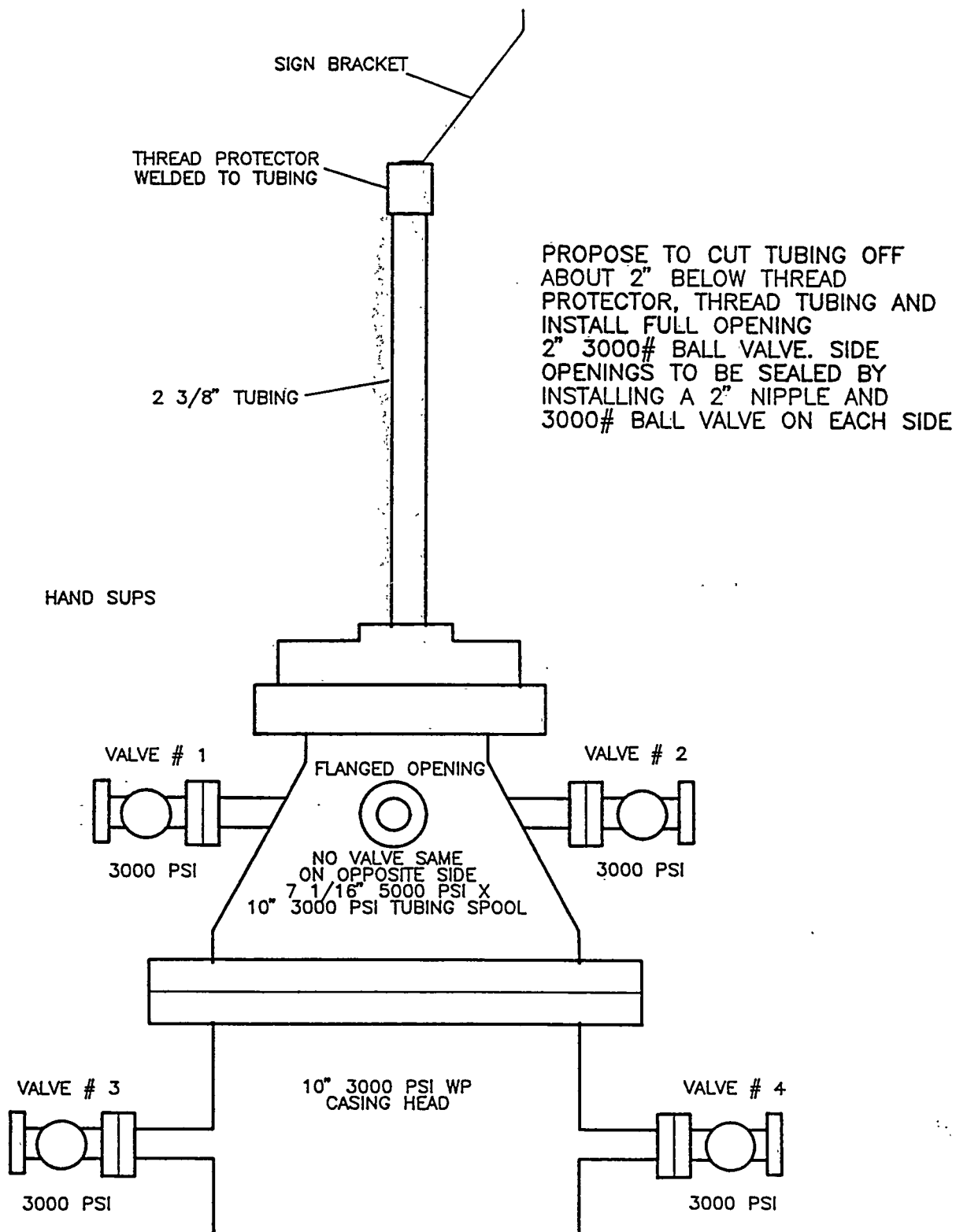
TD 6049'

4 1/2" 9.5# J-55 CSG @ 5881'
CEMENTED W/510 FT³ POZMIX
8" W/2% GEL +3% CaCl₂
CIRCULATED TO SURFACE

PLAT NO. 2 ROBERTS WHITE CLOUD #2 LOCATION LAYOUT



PLAT NO. 3
ROBERTS WHITE CLOUD #2
PRESENT AND (PROPOSED) WELLHEAD ARRANGEMENT



PLAT NO. 4 **ROBERTS WHITE CLOUD #2** **PROPOSED COMPLETION**

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48#H-40 CSG @ 24'
 CEMENTED W/25 SACKS CEMENT

DRILLED AS A BRINE WELL IN JUNE, 1964

9 5/8" 32#J-55 CSG @ 325'
 CEMENTED W/125 FT.³
 CEMENT W/2% CaCl₂

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT

7"-23#J-55 R-2 CSG @ 3832'
 CEMENTED W/300SX 50-50
 POZMIX W/2% GEL

4 1/2" 9.5# J-55 CSG @ 5881'
 CEMENTED W/510 FT.³ POZMIX
 8" W/2% GEL. +3% CaCl₂
 CIRCULATED TO SURFACE

WASHED OUT CAVERN AND CUT BIT OFF
 WITH CHEMICAL CUTTER

TD 6049'

PLAT NO. 5 **ROBERTS WHITE CLOUD #2** **PLUG AND ABANDON CONFIGURATION**

5760' K.B.

ELEV. 5746' G.L.

2126' FNL, 2925' FWL, SEC. 9, T.26S., R.20E. GRAND COUNTY, UTAH

13 3/8" 48#H-40 CSG @ 24'
 CEMENTED W/25 SACKS CEMENT

DRILLED AS A BRINE WELL IN JUNE, 1964

9 5/8" 32#J-55 CSG @ 325'
 CEMENTED W/125 FT.³
 CEMENT W/2% CaCl₂

PERFORATE TUBING @ 325' AND PUMP 25 SX SATURATED CEMENT PLUG TO FILL TO SURFACE. CUT OFF WELLHEAD AND INSTALL REGULATION MARKER.

FORMATION TOPS:

KAYENTA	:	SURFACE
WINGATE	:	40'
CHINLE	:	310'
MOENKOPI	:	673'
CUTLER	:	1027'
HONAKER TRAIL	:	2585'
UPPER PARADOX	:	3295'
MIDDLE PARADOX	:	3813'

2 3/8" TUBING W/3 3/4" BIT

3500'

7"-23#J-55 R-2 CSG @ 3832'
 CEMENTED W/300SX 50-50
 POZMIX W/2% GEL.

PERFORATE TUBING AT 3832' AND PUMP 25 SX SATURATED SALT CEMENT PLUG DOWN TUBING.

5250'

5500'

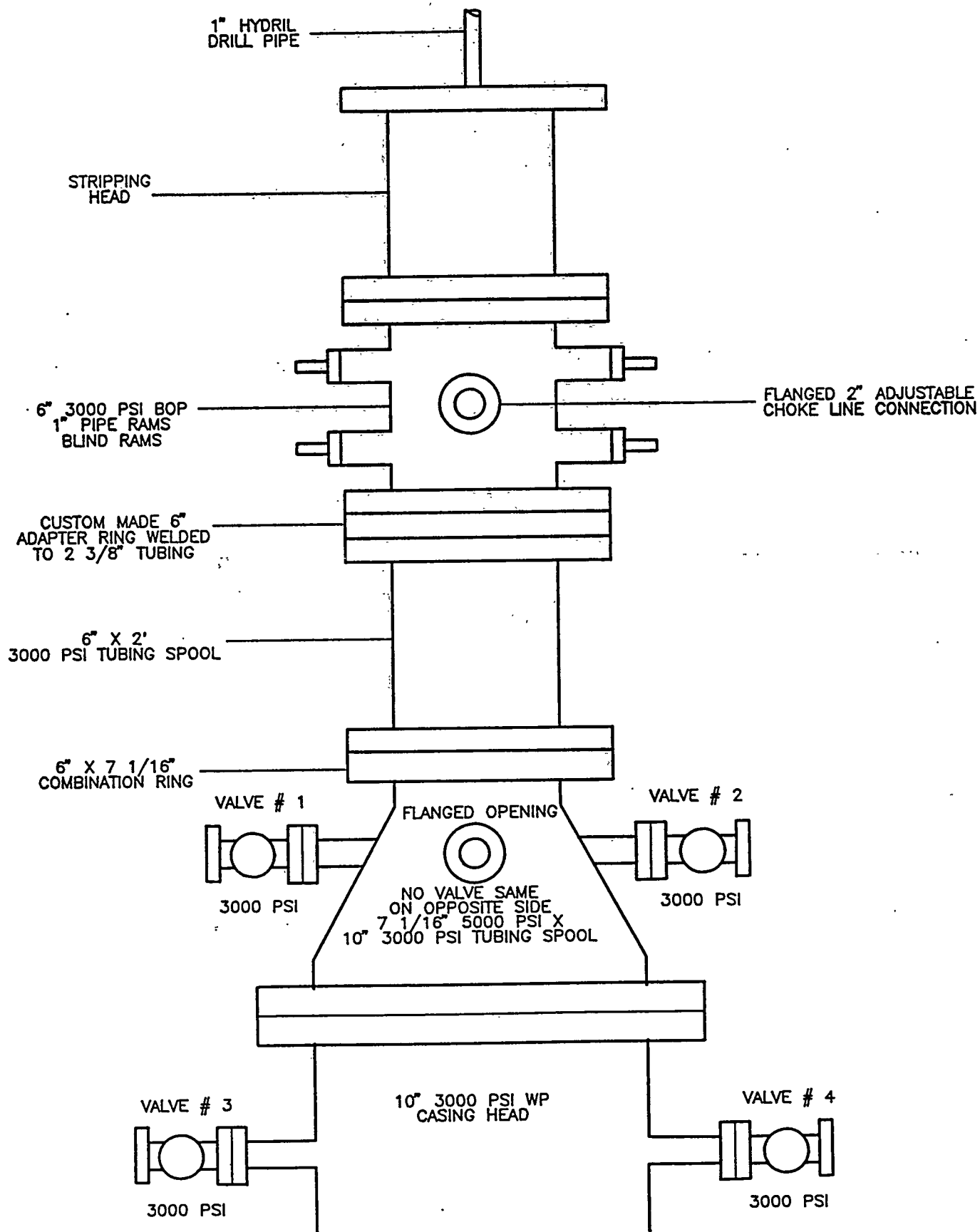
4 1/2" 9.5# J-55 CSG @ 5881'
 CEMENTED W/510 FT³ POZMIX
 8" W/2% GEL +3% CaCl₂
 CIRCULATED TO SURFACE

PUMP 50 SX SATURATED SALT CEMENT PLUG DOWN TUBING.

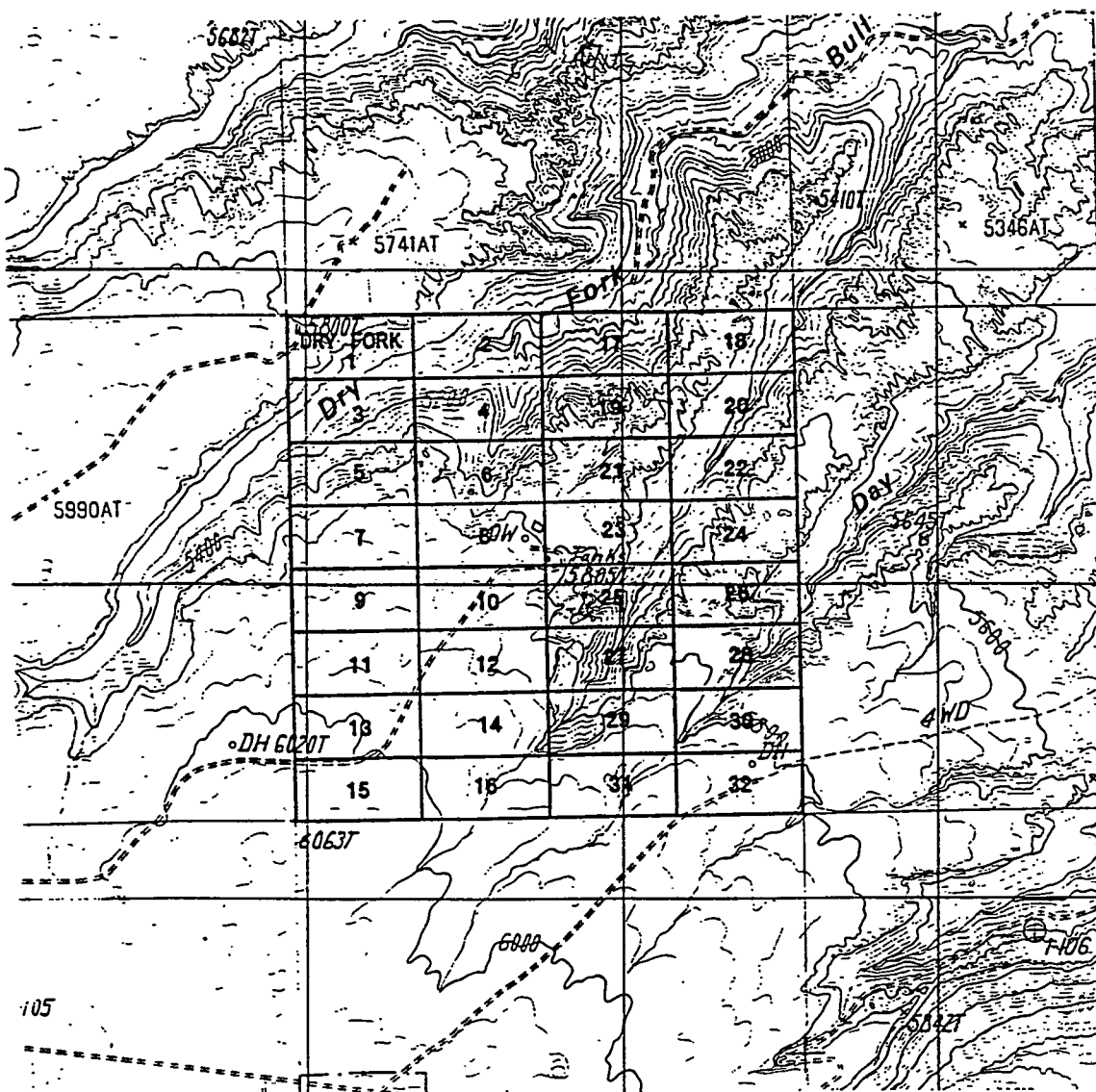
TD 6049'

CAVERN

PLAT NO. 6
ROBERTS WHITE CLOUD #2
PROPOSED BLOW OUT PREVENTION EQUIPMENT



R 20 E



T 26 S

NOTE: ALL DRY FORK CLAIMS ARE TIED TO THE SE
CORNER SECTION 9 T 26 S, R 20 E SLBM.

GOLD BAR CANYON 7 1/2' QUAD.

EXHIBIT "A-1"



SCALE 1"=2000'

U.S. BORAX & CHEMICAL CORP.
255 Glendale Ave., #19
Sparks, NV 89431

PLACER CLAIMS DRY FORK 1-32
GRAND COUNTY, UTAH
SECTION 9 T 26 S R 20 E SLBM

STAKED DRY FORK 1-4, 17-24 FEB. 28, 1991
DRY FORK 5-16, 25-32 FEB. 27, 1991

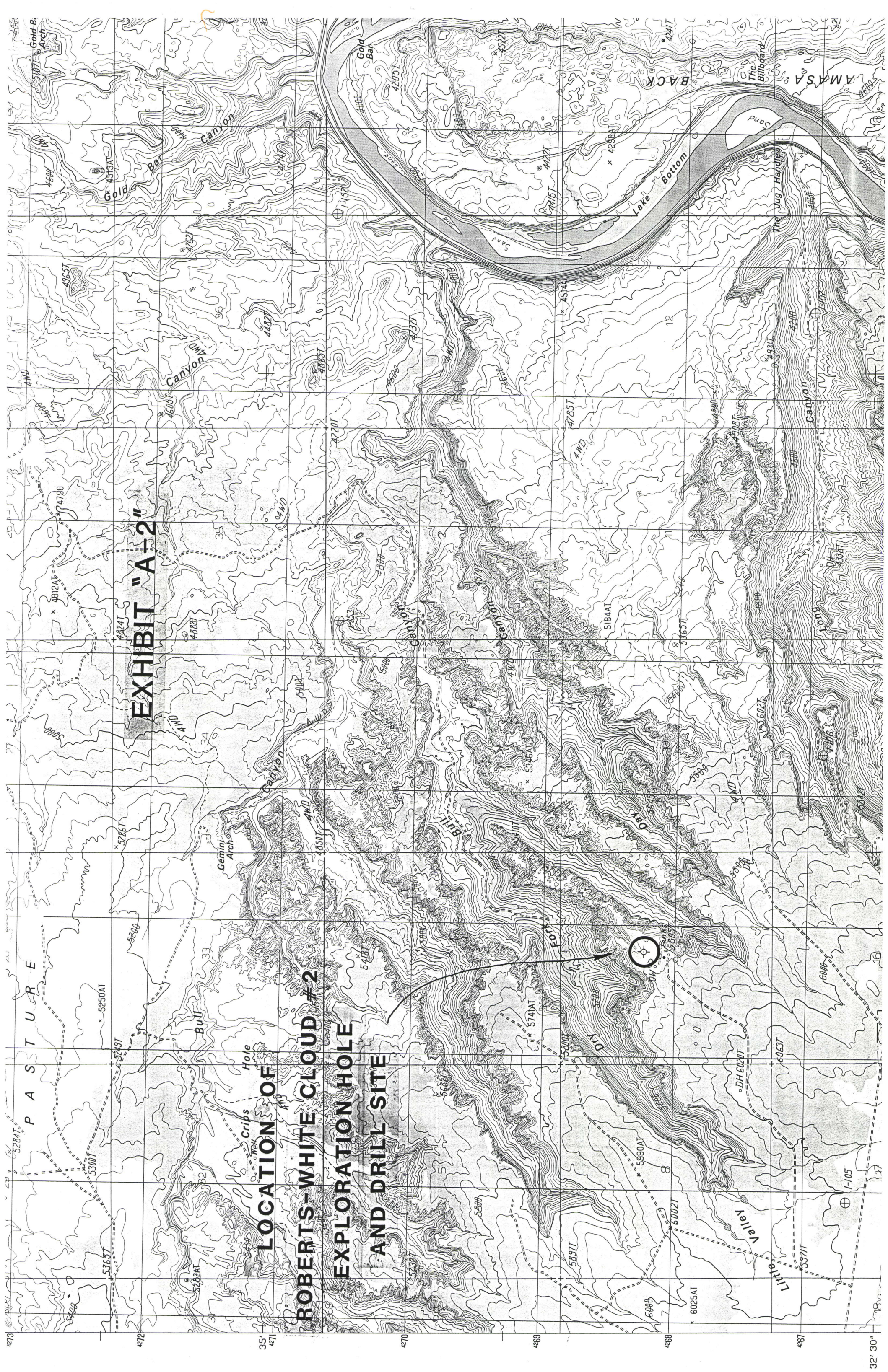


EXHIBIT "A-2"

LOCATION OF
ROBERTS-WHITE CLOUD #2
EXPLORATION HOLE
AND DRILL SITE



APPLICATION FOR TRANSPORTATION AND UTILITY SYSTEMS AND FACILITIES ON FEDERAL LANDS

FORM APPROVED
OMB NO. 1004-0060
Expires: May 31, 1989

NOTE: Before completing and filing the application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with the help of the agency representative, the application can be completed at the preapplication meeting.

FOR AGENCY USE ONLY

Application Number

Date filed

1. Name and address of applicant (include zip code)

U.S. Borax & Chemical Corp.
3075 Wilshire Blvd.
Los Angeles, CA 90010

2. Name, title, and address of authorized agent if different from Item 1 (include zip code)

U.S. Borax & Chemical Corp.
255 Glendale Ave., #19
Sparks, NV 89431
Mark Reece, Sr. Land Agent

3. TELEPHONE (area code)

Applicant
(213) 251-5400

Authorized Agent
(702) 358-9500

4. As applicant are you? (check one)

- a. ☐ Individual
b. ☒ Corporation*
c. ☐ Partnership/Association*
d. ☐ State Government/State Agency
e. ☐ Local Government
f. ☐ Federal Agency

* If checked, complete supplemental page

5. Specify what application is for: (check one)

- a. ☒ New authorization
b. ☐ Renew existing authorization No. _____
c. ☐ Amend existing authorization No. _____
d. ☐ Assign existing authorization No. _____
e. ☐ Existing use for which no authorization has been received*
f. ☐ Other*

* If checked, provide details under Item 7

6. If an individual, or partnership are you a citizen(s) of the United States? ☐ Yes ☐ No CORPORATION

7. Project description (describe in detail): (a) Type of system or facility, (e.g., canal, pipeline, road); (b) related structures and facilities; (c) physical specifications (length, width, grading, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of product to be transported; (g) duration and timing of construction; and (h) temporary work areas needed for construction. (Attach additional sheets, if additional space is needed.)

Project is described in detail on Mining Notice of Intent submitted herewith.

8. Attach map covering area and show location of project proposal Attached

9. State or local government approval: ☐ Attached ☒ Applied for ☐ Not required10. Nonreturnable application fee: ☒ Attached ☐ Not required11. Does project cross international boundary or affect international waterways? ☐ Yes ☒ No (If "yes," indicate on map)

12. Give statement of your technical and financial capability to construct, operate, maintain, and terminate system for which authorization is being requested.

U.S. Borax & Chemical Corporation is a Delaware Corporation which is technically and financially capable of completing the project described in this application.

13a. Describe other reasonable alternative routes and modes considered.

None considered. This application covers existing roads and facilities and avoids unnecessary construction and environmental disturbance.

b. Why were these alternatives not selected?

Stated above

c. Give explanation as to why it is necessary to cross Federal lands.

Roberts-White Cloud #2 well and drill site are situated on Federal lands. Access is across Federal lands.

14. List authorizations and pending applications filed for similar projects which may provide information to the authorizing agency. (Specify number, date, code, or name.)

Notice of Intent - Mining Exploration Operation dated 3/19/91 submitted with this application.

15. Provide statement of need for project, including the economic feasibility and items such as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and (c) expected public benefits.

Mining exploration project to be performed on limited budget. Subsequent use will be dependent upon success at this phase
a) initial project cost \$90,000; b) estimate \$600,000 for drilling new well; c) public will benefit from production of minerals.

16. Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

Exploration project will provide 6-8 short term jobs. Long term effects will depend on success of exploration project.

17. Describe likely environmental effects that the proposed project will have on: (a) air quality; (b) visual impact; (c) surface and ground water quality and quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land, including vegetation, permafrost, soil, and soil stability.

These matters described in detail on Mining Notice of Intent submitted herewith.

18. Describe the probable effects that the proposed project will have on: (a) populations of fish, plant, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

These matters described in detail on Mining Notice of Intent submitted herewith.

19. Name all the Department(s)/Agency(ies) where this application is being filed.

BLM - Moab District Office - Moab, Utah

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained in the application and believe that the information submitted is correct to the best of my knowledge.

Signature of Applicant

Mark A. Reece, Sr. Land Agent

Date

3/19/91

Title 18, U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

SUPPLEMENTAL

NOTE: The responsible agency(ies) will provide additional instructions.

CHECK APPROPRIATE
BLOCK

I - PRIVATE CORPORATIONS

ATTACHED

FILED*

a. Articles of Incorporation

☐
☐

b. Corporation Bylaws

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c. A certification from the State showing the corporation is in good standing and is entitled to operate within the State.

☐
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d. Copy of resolution authorizing filing

☐
☐

e. The name and address of each shareholder owning 3 percent or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote and the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

☐
☐

f. If application is for an oil or gas pipeline, describe any related right-of-way or temporary use permit applications, and identify previous applications.

☐
☐

g. If application is for an oil and gas pipeline, identify all Federal lands by agency impacted by proposal.

☐
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II - PUBLIC CORPORATIONS

a. Copy of law forming corporation

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b. Proof of organization

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c. Copy of Bylaws

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d. Copy of resolution authorizing filing

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e. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.

☐
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III - PARTNERSHIP OR OTHER UNINCORPORATED ENTITY

a. Articles of association, if any

☐
☐

b. If one partner is authorized to sign, resolution authorizing action is

☐
☐

c. Name and address of each participant, partner, association, or other

☐
☐

d. If application is for an oil or gas pipeline, provide information required by Item "I-f" and "I-g" above.

☐
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*If the required information is already filed with the agency processing this application and is current, check block entitled "Filed." Provide the file identification information.(e.g., number, date, code, name). If not on file or current, attach the requested information.

U.S. Borax & Chemical Corporation is a Delaware Corporation qualified to do business in Utah. Statement of Corporation Qualifications on file with BLM State Office and State of Utah - Dept. of Business Regulations - Division of Corporation and Commercial Codes - File #128675.

NOTICE

The Privacy Act of 1974 provides that you be furnished the following information in connection with information required by this application for an authorization.

AUTHORITY: 16 U.S.C. 310; 5 U.S.C. 301.

PRINCIPLE PURPOSE: The information is to be used to process the application.

ROUTINE USES: (1) The processing of the applicant's request for an authorization. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is voluntary. If all the information is not provided, the application may be rejected.

DATA COLLECTION STATEMENT

The Federal agencies collect this information from applicants requesting right-of-way, permit, license, lease, or certification for the use of Federal lands.

The Federal agencies use this information to evaluate the applicant's proposal.

The public is obligated to submit this form if they wish to obtain permission to use Federal lands.

GENERAL INFORMATION
ALASKA NATIONAL INTEREST LANDS

This application will be used when applying for a right-of-way, permit, license, lease, or certificate for the use of Federal lands which lie within conservation system units and National Recreation or Conservation Areas as defined in the Alaska National Interest Lands Conservation Act. Conservation system units include the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, National Trails System, National Wilderness Preservation System, and National Forest Monuments.

Transportation and utility systems and facility uses for which the application may be used are:

1. Canals, ditches, flumes, laterals, pipes, pipelines, tunnels, and other systems for the transportation of water.
2. Pipelines and other systems for the transportation of liquids other than water, including oil, natural gas, synthetic liquid and gaseous fuels, and any refined product produced therefrom.
3. Pipelines, slurry and emulsion systems, and conveyor belts for transportation of solid materials.
4. Systems for the transmission and distribution of electric energy.
5. Systems for transmission or reception of radio, television, telephone, telegraph, and other electronic signals, and other means of communications.
6. Improved rights-of-way for snow machines, air cushion vehicles, and all-terrain vehicles.
7. Roads, highways, railroads, tunnels, tramways, airports, landing strips, docks, and other systems of general transportation.

This application *must* be filed simultaneously with each Federal department or agency requiring authorization to establish and operate your proposal.

In Alaska, the following agencies will help the applicant file an application and identify the other agencies the applicant should contact and possibly file with:

Department of Agriculture
Regional Forester, Forest Service (USFS)
Federal Office Building, P.O. Box 21628
Juneau, Alaska 99802-1628
Telephone: (907) 586-7847 (or a local Forest Service Office)

Department of Interior
Bureau of Indian Affairs (BIA)
Juneau Area Office, P.O. Box 3-8000
Juneau, Alaska 99802
Telephone: (907) 586-7144

Bureau of Land Management (BLM)
701 C Street, Box 13
Anchorage, Alaska 99513
Telephone: (907) 271-5477 (or a local BLM Office)

National Park Service (NPS)
Alaska Regional Office, 2525 Gambell St., Rm 107
Anchorage, Alaska 99503
Telephone: (907) 261-2690

U.S. Fish & Wildlife Service (FWS)
Office of the Regional Director
1011 East Tudor Road
Anchorage, Alaska 99503
Telephone: (907) 786-3440

Note-Filings with any Interior agency may be filed with any office noted above or with the: Office of the Secretary of the Interior, Regional Environmental Officer, Box 120, 1675 C Street, Anchorage, Alaska 99513.

(For supplemental, see reverse)

Department of Transportation
Federal Aviation Administration
Alaska Region AAL-4, P.O. 14
Anchorage, Alaska 99513

NOTE - The Department of Transportation has established the above central filing point for agencies within that Department. Affected agencies are: Federal Aviation Administration (FAA), Coast Guard (USCG), Federal Highway Administration (FHWA), Federal Railroad Administration (FRA).

OTHER THAN ALASKA NATIONAL INTEREST LANDS

Use of this form is not limited to National Interest Conservation Lands of Alaska.

Individual departments/agencies may authorize the use of this form by applicants for transportation and utility systems and facilities on other Federal lands outside those areas described above.

For proposals located outside of Alaska, applications will be filed at the local agency office or at a location specified by the responsible Federal agency.

SPECIFIC INSTRUCTIONS
(Items not listed are self-explanatory)

Item

- 7 Attach preliminary site and facility construction plans. The responsible agency will provide instructions whenever specific plans are required.
- 8 Generally, the map *must* show the section(s), township(s), and range(s) within which the project is to be located. Show the proposed location of the project on the map as accurately as possible. Some agencies require detailed survey maps. The responsible agency will provide additional instructions.
- 9, 10, and 12 - The responsible agency will provide additional instructions.
- 13 Providing information on alternate routes and modes in as much detail as possible, discussing why certain routes or modes were rejected and why it is necessary to cross Federal lands will assist the agency(ies) in processing your application and reaching a final decision. Include only reasonable alternate routes and modes as related to current technology and economics.
- 14 The responsible agency will provide instructions.
- 15 Generally, a simple statement of the purpose of the proposal will be sufficient. However, major proposals located in critical or sensitive areas may require a full analysis with additional specific information. The responsible agency will provide additional instructions.
- 16 through 18 - Providing this information in as much detail as possible will assist the Federal agency(ies) in processing the application and reaching a decision. When completing these items, you should use sound judgment in furnishing relevant information. For example, if the project is not near a stream or other body of water, *do not* address this subject. The responsible agency will provide additional instructions.

Application *must* be signed by the applicant or applicant's authorized representative.

If additional space is needed to complete any item, please put the information on a separate sheet of paper and identify it as "Continuation of Item".